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Chair: Mr. Berger ..... (Germany)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 10.10 a.m.

Agenda item 146: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/67/713 and A/67/749; A/C.5/67/10)

1. **The Chair** drew the attention of the Committee to a letter dated 9 November 2012 from the President of the General Assembly transmitting the report of the Senior Advisory Group on rates of reimbursement to troop-contributing countries and other related issues (A/C.5/67/10).

2. **Ms. Haq** (Under-Secretary-General for Field Support), introducing the Secretary-General's report on the implementation of the report of the Senior Advisory Group (A/67/713), said that the Organization had over 93,000 uniformed personnel in the field implementing complex mandates, often in volatile and hostile environments. She paid tribute to the 111 peacekeepers who had lost their lives in 2012; it was sobering to remember that 3008 peacekeepers had perished in the line of duty since the first peacekeeping mission. Their sacrifice should be honoured and the highest value should be placed on supporting those who dedicated themselves to peacekeeping.

3. She welcomed the emphasis placed by the Senior Advisory Group on a compact that would strengthen the peacekeeping partnership among the Security Council, the General Assembly and the Secretariat. The Department of Field Support would do its part, including by further improving its systems for force contributing countries and delivery of logistics support. The Department took very seriously its task of supporting troops who were often widely dispersed and worked in harsh terrain; for that reason, she also welcomed the Group's emphasis on the contribution of support functions to mandate delivery.

4. The Senior Advisory Group's report represented a consensus. In implementing its recommendations, if approved by the Assembly, the Secretariat would be guided by the principles of simplicity, transparency and accountability. The Group's proposals recognized the importance of the troop reimbursement system to effective and legitimate peacekeeping and afforded an opportunity to address the challenges that had plagued that system for too long. Recognizing that a sustainable system must be based on actual data on the costs involved in deploying personnel, the Group proposed an information-gathering mechanism that would enable the Assembly to decide on the reimbursement rate at the second part of its resumed sixty-eighth session. Peacekeeping had changed dramatically in the years since the rate of reimbursement had last been revised, and all parts of the peacekeeping system, including reimbursement, must develop to meet the challenges. The Secretary-General's report proposed steps to implement the Group's recommendations, which were time-bound and entailed a specific timing and sequence in their implementation.

5. On the issue of data, the Group acknowledged that the current questionnaire was technically sound, and proposed that it should be administered using a smaller representative sample of ten contributing countries and an interactive data-collection process. It also recommended a regular four-year review. Upon approval by the Assembly, her Department would implement the revised process, with the support of troop-contributing countries, in order to make the data available by the second part of the resumed sixty-eighth session. Individual countries would not be identified in the presentation of data in order to preserve confidentiality.

6. The Senior Advisory Group also recommended that, until the new rates determined through the revised methodology entered into effect, the Assembly should continue the dual-track approach of funding supplemental payments to troop-contributing countries through savings in peacekeeping budgets. Three [illegible] recommended the continuation of a supplementary payment of 6.75 per cent of the base rate of $1,028 per person per month, from 1 April 2013 to 30 June 2014.

7. Second, the Group recommended that 12-month rotations should be standard for the deployment of uniformed personnel. The Secretary-General proposed no change to the purview of Member States in deciding the rotation of their own troops. While longer rotations had many operational benefits, including better situational awareness of troops and better information-gathering and reporting, the Secretariat recognized that some countries had to rotate their troops more frequently. The Senior Advisory Group gave the Secretary-General some discretion to determine that operational requirements might demand rotation frequencies other than every 12 months.

8. The Group also recognized that the implementation of peacekeeping tasks involved a link between personnel and equipment; a unit without adequate transport could not patrol effectively. The third proposed measure would therefore require the Secretariat to apply a reduction to personnel reimbursement when major equipment was absent or non-functional. If implemented with a direct one-to-one proportional reduction, the measure would affect all troop-contributing countries to some extent, with variation among missions and countries. The measure was an incentive for full compliance that, judiciously applied, would lead to enhanced performance and efficiency. Nevertheless, it would be important to ensure that the reduction, which might be considerable for some countries, did not become a barrier to increased compliance. The impact of all the recommendations would be monitored after a year of operation.

9. To better support the generation and deployment of enabling capacities and expertise, the Group recommended the introduction of two premiums. A premium for key enablers would lead to a capability-based approach to the delivery of mandates and a premium for risk, using criteria suggested by the Group, would recognize an exceptional and sustained level of danger to life, property and premises. The premiums would not apply until a decision had been made on a revised reimbursement rate. The Secretariat was developing proposals on how best to administer the premiums using existing processes and, aware that they represented a departure from the established approach to personnel reimbursement, would proceed with due caution.

10. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/67/749), said that the Advisory Committee had observed that it would be for the General Assembly to pronounce itself on the recommendations of the Senior Advisory Group. Should the Assembly endorse those recommendations, the Advisory Committee had no objection to the course of action set out in paragraph 57 of the Secretary-General's report (A/67/713).

11. **Mr. Thomson** (Fiji), speaking on behalf of the Group of 77 and China, reaffirmed that the Fifth Committee was the Main Committee of the Assembly responsible for administrative and budgetary matters, including the financing of peacekeeping operations. He said that, over the years, troop-contributing countries had contributed to the maintenance of international peace and security efficiently and cost-effectively while bearing great costs and making sacrifices in sending their troops abroad. The Group of 77 and China looked forward to posing questions in informal consultations about the contents of the Senior Advisory Group's report (A/C.5/67/10), with a view to achieving an outcome on the issue of troop costs that would be agreeable to all.

12. **Mr. Mayr-Harting** (Observer for the European Union), speaking also on behalf of the acceding country Croatia; the candidate countries Iceland, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania and Bosnia and Herzegovina; and, in addition, Georgia and Ukraine, welcomed the report of the Senior Advisory Group and the consensus it represented. The States members of the European Union had an interest in strong and effective peacekeeping, as almost all of them, in addition to contributing financially, also supported peacekeeping on the ground with uniformed personnel and other capabilities. Moreover, as a regional organization, the European Union played a role in advancing peace and security through cooperation with other regional organizations, such as the African Union, and with the United Nations.

13. The Senior Advisory Group's recommendations were interdependent and thus formed an integral package. While the Group's report did not contain all of the elements desired by any one party, its recommendations afforded a unique opportunity to revitalize the partnership of all those involved in peacekeeping. They offered the best and only chance of finding a long-term solution to the issue of reimbursement rates and avoiding a return to the difficult debates of the past. For that reason, the European Union member States were ready to endorse the package in its current form.

14. **Mr. Chapdelaine** (Canada), speaking also on behalf of Australia and New Zealand, said that the Senior Advisory Group's report presented an equitable, predictable and sustainable system for the reimbursement of troop costs that would strengthen the peacekeeping partnership between the United Nations and Member States. The Group's recommendations, which sought to be comprehensive and to reflect the complex realities of peacekeeping, offered creative and practical solutions to address pressing concerns,

including changes that could be rapidly implemented and easily administered. They dealt holistically with a series of interconnected challenges and should therefore be considered in their totality. Significantly, the Group's report represented consensus among a diverse yet representative cross-section of senior experts. He expressed the hope that the Fifth Committee would be inspired in its deliberations by the positive and results-oriented spirit with which the Group had conducted its work.

15. **Mr. Román-Morey** (Peru) said that the report of the Senior Advisory Group was important not only for countries such as his own that contributed troops and equipment but also for the Organization, given that the task of those troops was to meet the main objective of the Charter: maintaining international peace and security. It was the duty of every Member State to meet that objective. Peru had played a role in United Nations peacekeeping operations since 1958 and a small but significant number of Peruvian troops and observers were currently deployed in several peacekeeping missions. The item under discussion was a matter of priority to his delegation because it related to the sacrifices made by men and women who often endured difficult conditions and put their lives in danger in the effort to maintain peace.

16. The Group's recommendations provided a solid basis for an equitable, predictable and sustainable system of reimbursement to troop-contributing countries. However, given that the matter concerned the living conditions of personnel who had left their

focus solely on the financial advantages of adopting those recommendations as a package, but must also protect the interests of those who served in peacekeeping operations. In particular, he was concerned by the proposed increase in the length of rotations from 6 to 12 months. Such a change might reduce costs, but Member States should not seek savings at the expense of peacekeeping objectives. Keeping troops in the field for 12 months would affect their morale and would be at odds with General Assembly resolution 66/264, which recognized the importance of welfare and recreation for the morale of peacekeeping personnel. It was that type of inconsistency in management that made the Organization less efficient and effective than it should be.

17. Moreover, the Senior Advisory Group had committed a conceptual error in recommending that a penalty should be levied against contingents whose equipment was inoperable. Reimbursements for troops and for equipment were two different things; certainly, a country should not be reimbursed if the equipment it provided did not function, but there should be no penalty against the personnel performing their duties on the ground.

18. Consequently, his delegation could not accept the Group's recommendations as a package and would engage constructively in the deliberations in order to achieve the best outcome for the Organization. He reaffirmed that it was the prerogative of the Fifth Committee to discuss fully and without restriction the matters before it and that responsibility for decision-making lay with the Member States.

19. **Mr. Lieberman** (United States of America), recalling that the Senior Advisory Group had been established after the issue of troop reimbursements had become an obstacle to consensus on the budgets of peacekeeping missions, said that its recommendations sought to address the issue comprehensively and recognized the link between continuing transitional payments and efforts to find efficiencies in peacekeeping. The Group recommended a more streamlined survey to determine reimbursement rates; a review of rates every four years; premiums for facing exceptional risks and providing key enabling capabilities; and incentives for full deployment of contingent-owned equipment. It changed the standard

troop-contributing countries with an interim supplementary payment as a transitional measure. Those recommendations were unlikely to satisfy every Member State and, indeed, did not wholly satisfy the United States; nevertheless, they represented a balance that would be compromised should any of the elements be considered separately. Adopting them as a package offered an opportunity to resolve the contentious question of troop reimbursement while improving the effectiveness of peacekeeping. Failure to agree would exacerbate the acrimony over peacekeeping budgets and jeopardize peacekeeping operations.

20. **Mr. Aiki** (Japan) said that the Senior Advisory Group had comprised representatives of troop contributors, major financial contributors and regional groups, as well as eminent persons, and should

therefore enjoy wide support from Member States. Its recommendations offered fair reimbursement and better conditions for troop performance and would lay a solid foundation for an equitable, predictable and sustainable system; they should therefore be endorsed in their entirety. In particular, the Group recommended a reimbursement system based on actual data on costs; it was to be hoped that an interactive data collection process to replace the previous methodology would result in better information that was obtained more quickly. Considering the time-bound nature of the recommendations and the timing and sequencing of their implementation, it was crucial that the Committee should endorse them at the first part of the resumed session.

21. **Mr.** Manjeev Singh **Puri** (India) said that, after decades in which the Committee had taken a variety of approaches to the matter of troop reimbursement, the Senior Advisory Group represented the first attempt to address the question in a focused manner. Its recommendations, which had been adopted by consensus, offered an opportunity to resolve a long-standing issue that could be deferred no further. Every effort must be made to consolidate the partnership underpinning peacekeeping; the stakeholders had a duty to preserve that vital activity by rising above national concerns, just as peacekeepers had always done.

22. **Mr. González Segura** (Mexico), commending the women and men who often risked their lives and in some cases had perished while serving as peacekeepers, said that the Senior Advisory Group had been established as a compromise after a difficult negotiation process. His delegation generally agreed with the Group's recommendations, which sought to provide incentives in order to ensure that all parties remained engaged in peacekeeping activities in the medium and long term and to optimize the human and material resources of peacekeeping operations. He stood ready to work with others in examining the Secretary-General's proposals and adjusting them, as necessary. The main goal of the discussion should be to provide the Organization with the means required to discharge its peacekeeping mandates and ensure the sustainability of the system and the peacekeeping compact, which entailed obligations and responsibilities for all parties.

23. **Mr.** Masood **Khan** (Pakistan) said that it was unlikely that the Senior Advisory Group's report had been intended as a take-it-or-leave-it proposition; that was not the approach that should be taken to critical peacekeeping issues. The Group's recommendations on troop rotation, contingent-owned equipment and the survey mechanism could create operational difficulties and should be adjusted in order to address Member States' concerns and make them acceptable to all stakeholders. The Committee should take the opportunity to depoliticize its decision-making on the matter for the benefit of future discussions on peacekeeping budgets and other cross-cutting issues.

24. **Mr. Sul** Kyung-hoon (Republic of Korea) said that the Senior Advisory Group was to be commended for presenting a sensible proposal to address the long-standing issue of troop reimbursement rates. Its report could serve as a solid foundation for an equitable, predictable and sustainable mechanism for setting those rates. Fresh ideas such as a 12-month rotation period, reductions in payments for absent or non-functional equipment and premiums for risk and key enablers would help enhance the effectiveness and efficiency of peacekeeping operations. He also concurred that reimbursement rates should be based on empirical data; the Secretariat should expeditiously conduct a survey and analysis of costs based on the Group's recommendations. The additional resources required to continue supplementary payments to troop-contributing countries until 30 June 2014 should be financed mainly through enhanced efficiency and effectiveness of peacekeeping operations. For instance, efficiency gains could be achieved by lengthening the troop rotation period and implementing the global field support strategy. The Group's recommendations, which represented a delicate balance of all stakeholders' positions, should be endorsed as a package.

25. **Mr. Troya** (Ecuador) said that his delegation valued the close partnership between the countries that provided the troops who risked their lives on the ground and those that contributed financially to support peacekeeping missions; both forms of contribution were equally important. He welcomed the recommendations of the Senior Advisory Group, which would guide delegations during their deliberations. Nevertheless, the Group had been established in order to advise the Fifth Committee, not to deliberate in its place; consequently, its report should not be considered untouchable and its conclusions were not binding on Member States. The Committee was the sole body of the Assembly empowered to take decisions on

budgetary and administrative matters, and its work could not be replaced by any advisory group or high-level committee. Moreover, the sole working method that would ensure the adoption of resolutions by consensus was constructive, inclusive, open and good-faith negotiation. Under the Charter and the Assembly's rules of procedure, no shortcut could obviate the Committee's deliberations on the items within its purview.

26. His delegation would examine the reports before the Committee and propose the adjustments and changes it deemed necessary. Delegations should engage in negotiations in order to develop a resolution based on the Senior Advisory Group's report that would be acceptable to all. The report could not, however, be approved in its current form, as it contained proposals that his delegation could not accept.

27. **Ms. Takahashi** (Norway) said that the Senior Advisory Group's recommendations comprised a balanced package that offered the best opportunity for the Committee to find a sustainable solution to a long-standing challenge. She expressed the hope that all delegations would work together in order to achieve such a solution.

Agenda item 129: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Progress towards an accountability system in the United Nations Secretariat (A/67/714 and

28. **Mr. Takasu** (Under-Secretary-General for Management), introducing the Secretary-General's second progress report on the accountability system in the United Nations Secretariat (A/67/714), said that, for a culture of accountability to become a core value of the Secretariat, it must first be instilled at the senior levels. For that reason, ethics and integrity featured prominently in the induction programme for senior leaders. In addition, under the Leadership Dialogues programme, managers would engage in dialogue with their staff about ethics and integrity; in 2013, the topic would be the meaning of international civil service.

29. Progress was also being made in communicating with oversight bodies and implementing their recommendations. To that end, the Management Committee invited one of the oversight bodies to participate in each of its quarterly meetings on oversight issues and the Under-Secretary-General for Internal Oversight Services participated in all such meetings as an observer. Furthermore, as Under-Secretary-General for Management, he met regularly with the oversight bodies to discuss their findings. The increased attention to oversight issues had resulted in a steady increase in the implementation of recommendations over the previous five years.

30. Personal accountability must be strengthened in parallel with institutional accountability. The 2013 senior managers' compacts had therefore been strengthened through better alignment with key initiatives, such as the implementation of the enterprise resource planning system Umoja and the International Public Sector Accounting Standards (IPSAS), and by taking into account the lessons learned on organizational resilience management. In addition, Assistant Secretaries-General signed compacts with their supervisors. Work programmes were being developed for staff below the level of Assistant Secretary-General and the performance appraisal system was being strengthened. As of November 2012, over 50 per cent of managers had participated in the mandatory learning programme designed to support the roll-out of the new Performance Management and Development System.

31. The Secretariat regularly reviewed the mechanisms in place to prevent, identify and manage personal conflicts of interest. A review of the regulatory framework for the financial disclosure

addition, the Ethics Office had established a new category of advice related to procurement.

32. Strengthening the accountability of staff in the field — a complex management challenge — was a priority. Since 2012, field missions had introduced letters of representation as an internal control measure and management accountability tool and the new Integrated Conduct and Discipline Framework had been implemented.

33. Gradual progress was being made in enterprise risk management and internal control across the Secretariat despite resource constraints. Pilot projects had been conducted in offices with high risk potential. An e-learning programme on risk management concepts would be available to all staff and his office

would continue to work with other offices on individual risk assessments. In November 2012, the Management Committee had requested a Secretariat-wide enterprise risk assessment in order to identify the Organization's main strategic risks and related managerial responses. The assessment, to be launched in early 2013, would be used in developing a risk and internal control framework. The schedule, the parties involved and their respective responsibilities were shown in figure I of the report.

34. The Secretary-General also proposed a conceptual framework for results-based management, whose implementation would be the responsibility of the Under-Secretary-General for Management. Figure II set out the proposed integrated approach, which included all the elements of results-based budgeting and, in addition, a human resources dimension and a lessons learned element. The human resources dimension — encompassing senior managers' compacts, the performance management and development system, and the Management Performance Board — was important because it linked personal and institutional objectives and established a bridge between the Organization's financial and human resources strategies. The key policies, standards and tools for results-based management already existed independently of one another; it was now necessary to ensure that they functioned in an integrated and coordinated manner throughout the Organization. To that end, a governance structure, shown in figure III of the report, was being established with clear lines of responsibility and accountability for every senior manager involved in the process.

35. Strengthening accountability in an organization as complex as the United Nations was a daunting and continuous process. To develop an action plan, it was essential first to establish a results-based management framework to guide the Organization and then to mobilize all those involved through the Results-based Management Task Force in order to identify practical measures that would improve the functioning of the required tools. Should the Assembly approve the proposed conceptual framework for results-based management, it would not only make the Organization more results-oriented but would also provide a basis for the design blueprint and baseline configuration of Umoja Extension 2.

36. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/67/776), said that important progress had been made on an accountability framework, but more work remained to be done. Much of the information in the Secretary-General's report was conceptual in nature, with insufficient detail on specific accountability measures and their expected impact. There was no plan with clear objectives and responsibilities and a timeline of specific actions. There was a need to strengthen the quantity, range and frequency of efforts to promote a culture of accountability in the Organization. The Advisory Committee shared the view of the oversight bodies that the key principles of accountability should be embedded in the design of Umoja, whose implementation was imminent. The system of delegation of authority should be defined and updated as a matter of urgency so that Umoja would clearly articulate the different levels of decision-making authority across different operational areas.

37. While the Advisory Committee welcomed improvements aimed at making the senior managers' compacts a more powerful instrument of accountability, it emphasized that those managers had a special responsibility to set the appropriate tone and recommended that the monitoring, oversight and corrective actions taken by the Management Performance Board should be included in future progress reports. On the efforts to improve the performance appraisal system, the Advisory Committee awaited the proposals for a revised rewards and recognition framework and a system of sanctions to address underperformance.

38. Noting the progress made in developing a conceptual framework for results-based management, he said that it was still unclear how the framework would improve accountability and performance and shift the focus from the delivery of outputs to the delivery of results. The Advisory Committee was therefore unable to recommend endorsement of the framework at the current stage.

39. Although the Secretary-General's report outlined progress on a number of initiatives, further development was required in order to communicate ongoing progress, demonstrate real impact and reinforce a culture of increased accountability across the Organization.

40. **Mr. Thomson** (Fiji), speaking on behalf of the Group of 77 and China, said that the Group was concerned that the Secretary-General's report (A/67/714) did not contain a clearly defined and well-documented plan to strengthen accountability, as requested by the General Assembly in its resolutions 64/259 and 66/257. The Secretariat must show commitment to addressing the issue of accountability. Considering the definition of accountability set out in the former resolution and the emphasis in the latter on implementing effective mechanisms that fostered institutional and personal accountability at all levels, the Group was deeply concerned that, in 2012, 59 staff had been guilty of misconduct or falling below the standards of conduct expected from international civil servants, and that the fundamental professional principles for international civil servants had not been fully upheld. The Group agreed with the Advisory Committee that those standards applied to all staff, including senior managers.

41. The Secretary-General's report indicated that only 1 per cent of Secretariat staff had either not met or partially met performance expectations in the 2011-2012 performance cycle. That percentage was unrealistic and the Secretary-General should address the lack of credibility of the performance appraisal system. The report also indicated that the Staff-Management Committee working group on performance management and development would submit recommendations on underperformance, rewards and recognition to the Staff-Management Committee in 2013; the Group would prefer to have

Little progress had been made in implementing performance reporting and results-based management, two pillars of a comprehensive accountability framework, reflecting a lack of willingness to foster a culture of accountability throughout the Secretariat.

42. It was also a matter of concern that the Secretary-General had not given priority to updating the system of delegation of authority, taking into consideration the upcoming implementation of Umoja, despite the Assembly's repeated requests that he should urgently address the deficiencies in the current system. The proper implementation of resolution 66/257 was vital to promote greater transparency, strengthen dialogue and increase the efficiency and effectiveness of the Organization's administrative and budgetary functioning.

43. Lastly, the Group remained of the view that the General Assembly should continue to receive annual progress reports on the implementation of the accountability framework, since they were a critical way to increase accountability to Member States and did not hinder the implementation of accountability initiatives.

44. **Mr. Van Den Akker** (Observer for the European Union), speaking also on behalf of the acceding country Croatia; the candidate countries Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania and Bosnia and Herzegovina; and, in addition, the Republic of Moldova and Ukraine, said that, while many aspects of accountability were now being mainstreamed throughout the Organization, more needed to be done to promote a culture of accountability, demonstrate commitment at senior levels and embed that culture in the core values of the United Nations. Future progress reports should include more practical detail, key performance indicators and statistical information on specific accountability measures and their impact. He looked forward to learning more about the progress made in implementing enterprise risk management and the proposed conceptual framework for results-based management.

45. **Mr. Ballantyne** (New Zealand), speaking also on behalf of Australia and Canada, said that a culture of accountability went beyond the simple posting of a declaration of principles on a website and comprised

Organization. The three delegations welcomed the measures taken, including the development of the Leadership Dialogues programme, and looked forward to receiving information on their impact in the next progress report.

46. He welcomed the completion of the comprehensive review and mapping of the current system of delegation of authority and the intention to further adjust that mapping in the context of the new common business models to be used following the implementation of Umoja. However, the lack of detail in that regard was a source of concern; in particular, the lack of a clear timeline would make it difficult for Member States to hold the Secretariat accountable for completing that important work.

47. The performance appraisal system was another source of concern, since the current system could not be taken seriously. It was to be hoped that the Staff-Management Committee working group would produce specific proposals on a revised rewards and recognition framework and a robust system of sanctions to address underperformance that had the confidence of all stakeholders. The Secretary-General and his senior team had a critical role to play in strengthening the Organization's accountability framework, which included ensuring that the limited resources of the United Nations were used in an effective and efficient manner for their intended purposes.

48. **Mr. Dettling** (Switzerland), speaking also on behalf of Liechtenstein, said that strengthening accountability should be a priority for both the Administration and the Member States. Efforts and progress had been made to that end, but much remained to be done. Much of the information contained in the Secretary-General's report (A/67/714) was conceptual in nature and the principle of accountability had still not been translated into specific measures with a tangible impact. It was also regrettable that the Secretary-General had not yet developed a clearly defined and well-documented plan to strengthen accountability; such a plan was essential to enable Member States to better understand and support the Secretary-General's efforts. It was disappointing that the report did not contain innovative ideas arising from an in-depth analysis of the shortcomings of the current system and a comparison with systems in other organizations, since that could have injected fresh impetus into the discussion of accountability.

49. The proposed conceptual framework and governance structure for results-based management was a positive step, but additional development work was needed. Implementing results-based management was both a priority and a complex task that should include relevant, measurable performance indicators; a system for monitoring and evaluating progress; a strong link between performance and consequences; resource allocation based on strategic priorities and planned activities; and consideration of the cost factor when evaluating performance. The Secretariat should therefore rework its proposal, drawing on the expertise of the Board of Auditors and other relevant bodies.

50. He welcomed the plan to conduct a Secretariat-wide risk assessment and establish an enterprise risk management and internal control framework, which should be implemented as soon as possible. To become operational, that framework would have to be integrated into the decision-making processes of the Secretariat and the General Assembly.

51. **Mr. González Segura** (Mexico), welcoming the plan of action for strengthening accountability and the designation of the Under-Secretary-General for Management as the senior official responsible for the implementation of results-based management, said that much work nevertheless remained to be done. He urged the Secretary-General to provide detailed information on the measures taken to promote a genuine culture of accountability in the Secretariat, rather than formulating general principles.

52. During the Committee's deliberations on the matter, his delegation would promote the development of an effective, widespread culture of accountability among United Nations officials, including through support for the work of the Ethics Office; an appropriate definition of the concept of accountability; and a system of institutional and personal accountability based on the highest ethical standards. It would also promote the strengthening of the financial disclosure programme and policies to protect whistle-blowers in order to discourage and penalize corruption; the identification of key risks that required targeted efforts; the establishment of an accountability system that included effective performance appraisal in addition to financial disclosure; and greater transparency and public access to United Nations official documents, taking into account legal or political restrictions.

53. **Mr. Takasu** (Under-Secretary-General for Management), acknowledging the concern expressed by delegations at the absence of a specific plan of action, said that the General Assembly had only recently agreed on a definition of accountability. Progress had been made in implementing results-based management, but integrating results-based budgeting with human resources management was an ongoing challenge. He was keenly aware of the need to establish a detailed action plan and timeline; to do that, however, a true understanding of what was meant by results-based management was needed. The proposed framework required refinement and he would welcome suggestions on how it could be improved.

54. Results-based management had many components and the process owners involved in its

implementation would need the support of all stakeholders. The Results-based Management Task Force would be crucial in mobilizing programme managers. He acknowledged the disappointment expressed by several delegations concerning the system of delegation of authority, which was a key issue but also a complicated one. The existing system must be standardized, simplified and streamlined. Through implementation of Umoja, the United Nations was embarking on that process with a clear timeline, but the Secretariat was not yet in a position to report on the outcome of that major undertaking.

Agenda item 130: Programme budget for the biennium 2012-2013 (*continued*)

Information and communications technology (A/67/119 and Add.1, A/67/651 and Add.1 and A/67/770)

55. **Mr. O'Farrell** (Chair of the Audit Operations Committee of the United Nations Board of Auditors), introducing the report of the Board of Auditors on the handling of information and communications technology (ICT) affairs in the Secretariat (A/67/651), said that the audit had been conducted in response to General Assembly concern about progress in implementing ICT reform and the ICT strategy approved in 2008, as well as governance problems and lack of progress in the implementation of Umoja.

56. Effective use of ICT was increasingly critical to a wide range of United Nations activities and a key enabler of business transformation. Gaining a better

highly decentralized Organization was at the core of the Secretariat's plans for ICT reform and the development of an ICT strategy. Although significant progress had been made at the operational level, the Administration had failed to deliver a more corporate, coherent strategy. As a result, the current strategy needed to be reshaped to have a realistic chance of success. It should be based on an in-depth understanding of the current and future United Nations service delivery model, the Organization's business objectives and priorities, and its decentralized nature. In addition, it should prioritize delivery of Umoja and incorporate the benefits of streamlined business processes.

57. One of the Board's main findings was that the ICT strategy was incomplete and its objectives had not been achieved due mainly to a lack of direction and funding. Moreover, it did not adequately address Umoja, information security or peacekeeping. On business transformation, the aim of delivering a globally consistent operating model had been hampered by a lack of understanding of the United Nations culture and business environment and other factors that needed to change in advance of changes in how the Organization operated. There was a need for better definition of the corporate activities that required strong central control and those that required operational freedom and delegation. The role of the Chief Information Technology Officer, which was not clearly defined, had been largely operational; as a result, both the Officer and senior management had given insufficient attention to business transformation and strategic leadership of the ICT function, and had failed to develop and enforce corporate ICT standards and policies.

58. The United Nations governance and accountability framework was not aligned with the Administration's ambitions for ICT-enabled transformation. Funding was fragmented and short-term across the Secretariat, resulting in local tactical and operational delivery instead of an emphasis on strategic and corporate priorities. The ICT governance structure had proved ineffective in setting strategic direction or prioritizing issues, and roles, reporting lines and accountability remained unclear. A lack of consolidated management information on ICT expenditure prevented effective monitoring, prioritization and transparency in respect of ICT costs, thereby undermining ICT management and

59. The Office of Information and Communications Technology (OICT) remained focused on day-to-day operations, rather than leading business transformation, executing a global strategic agenda or driving innovation. The information security environment fell far short of what would be expected in a modern, global organization and must be addressed as a matter of urgency. Senior management had not established effective accountability for improving ICT security across the Secretariat and was not monitoring attacks against its systems. The absence of a software application strategy had resulted in the local development of applications, which increased security risks, offered poor value for money and exposed the Organization to exploitation by unscrupulous vendors.

60. All of the Board's recommendations — most notably on the urgent need to improve ICT security — had been accepted by the Administration, although the Board had yet to see the detailed actions underlying the general proposals formulated. It would take time to re-establish a strategy that would be accepted by senior management, together with the associated delivery structures and process, and it would be unrealistic to expect the Administration to have resolved all its problems already. However, the Board was reassured by the seriousness with which management was tackling the complex Organization-wide matters raised in its report.

61. **Mr. Takasu** (Under-Secretary-General for Management), introducing the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors on the handling of information and communications technology affairs in the Secretariat (A/67/651/Add.1), said that the Administration had accepted all the Board's recommendations and was already working to implement them. It would conduct a comprehensive review of its ICT strategy, governance, operations, structure and resource allocation, and would submit a report to the General Assembly at its sixty-eighth session, including an update on the status of implementation of the Board's recommendations.

62. The Administration's thinking at the current stage was that the ICT strategy should be revised to align it with the Organization's business support strategies, with Umoja at the centre. It should also include information security and should apply to all departments and offices without exception. Designing a revised ICT governance structure would be a challenge, as the United Nations was a complex organization whose many offices had a high degree of autonomy. The Secretariat would work with all heads of departments and offices to develop a governance structure that was directly linked to the Organization's business model and allowed some decisions to be taken centrally and others to be delegated.

63. The Administration agreed that the renamed Chief Information Officer should play a lead role in major transformation projects and should be assisted by a Chief Technology Officer responsible solely for technology and operational issues rather than strategic issues. However, both functions should be under the supervision of the Under-Secretary-General for Management. On information security, the Administration had taken immediate steps to address the most urgent shortcomings and devise a long-term strategy; further information on those steps would be provided during the informal consultations. The Department of Management was committed to improving the Organization's ICT systems and the Secretariat as a whole would build on its operational strengths and commitment to quality service.

64. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/67/770), said that the Advisory Committee had frequently stressed the need for a coherent, coordinated and accountable approach to managing ICT activities, and the 2008 ICT strategy had been designed to address those issues. It was therefore disappointed to note the Board's conclusion that the Organization had been unsuccessful in enforcing a more centralized ICT implementation and delivery strategy and addressing the high level of fragmentation of the current ICT environment. The difficulties encountered mirrored those experienced by the United Nations in implementing major business transformation projects such as Umoja.

65. ICT was an integral part of business transformation initiatives. However, the current strategy did not sufficiently emphasize the enterprise resource planning system as the single largest ICT-enabled business transformation project of the United Nations, nor did it sufficiently address information security issues or peacekeeping activities, which accounted for some 75 per cent of total ICT expenditure. Given the large number of reform initiatives under way, the Secretary-General should prioritize efforts, develop a practical course of action and, to the extent possible, adopt a sequential approach to implementing the ICT strategy, should it not be feasible to implement all aspects simultaneously. Priority should be given to identifying and putting in place the measures required to implement Umoja, including a strategy to address the decommissioning of the 700 applications it would replace and standards for desktops interfacing with the new system.

66. The Advisory Committee recommended that the Assembly should request the Secretary-General to implement his action plan on information security as a matter of priority; take prompt steps to eliminate any obstacles to implementing the plan or information security policies throughout the Secretariat; and

consider all options for prioritizing and redeploying resources and avoid, to the extent possible, requesting additional resources. It also recommended that the Secretary-General should be requested to fill promptly the critical position of Chief Information Technology Officer, which had been vacant since July 2012.

67. **Ms. Frueh** (Executive Secretary, Joint Inspection Unit), introducing the report of the Joint Inspection Unit on ICT governance in United Nations system organizations (A/67/119), said that it contained 11 recommendations: one addressed to the legislative bodies of the United Nations system organizations, nine to their executive heads and one to the Secretary-General in his capacity as Chair of the United Nations System Chief Executives Board for Coordination (CEB). They were designed to strengthen the ICT governance frameworks of those organizations, including their governance committees; strategies; the role and responsibilities of the Chief Information Officer; risk management, performance and oversight; and investment. The report also recommended further enhancing ICT coordination and cooperation among United Nations organizations with guidance from CEB. She drew attention to the note by the Secretary-General on ICT governance in United Nations system organizations (A/67/119/Add.1), in which he indicated that organizations largely supported the Unit's analysis and conclusions and were implementing its recommendations.

68. **Mr. Thomson** (Fiji), speaking on behalf of the Group of 77 and China, said that a sound ICT

timely information. Recalling General Assembly resolutions 60/283 and 63/262, he expressed concern that the Organization had failed to implement a workable ICT strategy. Duplication and fragmentation continued to characterize United Nations data and information processes and had resulted in the systematic haemorrhaging of resources and higher costs. The Secretariat must learn from its mistakes in adjusting its approach, since the current ICT strategy did not provide a clear direction or describe how ICT changes were essential to business needs or to the core objectives of the United Nations. Any new ICT strategy must be aligned with the Organization's transformation goals and initiatives, including Umoja, IPSAS and the global field support strategy. The apparent lack of collaboration among OICT, the Umoja team and the Department of Field Support in enabling transformation was another source of concern.

69. It was vital to take into account the autonomous nature of some entities and their ICT requirements. The ICT strategy should be aligned with the Organization's business objectives and should take into consideration the specific data requirements of peacekeeping operations in order to provide security, availability and flexibility. The Secretary-General should seek further opportunities for synergies and for the adoption of common solutions and standards across the United Nations system, in accordance with resolution 64/289 on system-wide coherence. Ultimately, an appropriate balance must be struck between centralized and delegated ICT activities.

70. A global operational framework for ICT security, business continuity and disaster recovery was required, since the existing fragmented approach exposed the Organization to considerable ICT risks. The action plan to address security concerns should be implemented in a targeted manner and the information security charter and associated policy documents should be adopted without delay to ensure accountability. He looked forward to receiving an update on the status of implementation of the action plan at the sixty-eighth session of the General Assembly.

71. It was worrying that the crucial function of Chief Information Technology Officer had been vacant since July 2012. In advertising the post, it was important to consider the implications of the Board's recommendations, given that they concerned the

wondered why the post of head of the Strategic Management Service had been vacant for 18 months, as that had meant that only a small proportion of OICT staff were dedicated to executing a challenging global strategic agenda, leading change or driving innovation.

72. He welcomed the plan to review the Secretariat's operating model in order to deliver the new ICT strategy and Organization-wide changes to support the Chief Information Technology Officer and looked forward to examining the report on global service delivery models to be submitted to the Assembly at its sixth-eighth session, as well as a comprehensive report which fully addressed the mandates on ICT conferred by the Assembly.

73. **Mr. Dettling** (Switzerland), welcoming the Board's call for a new ICT strategy, said that such a

complex undertaking would take time, and therefore a discussion of that subject at the Assembly's sixty-eighth session would be premature. A sequential approach would be more realistic than trying to implement all aspects of the strategy simultaneously. Priority should be given first to strengthening information security, second to developing and implementing a strategy to govern the wide range of software applications used in the Secretariat and lastly to ensuring transparency in ICT expenditure. Specific proposals should be presented to the General Assembly as soon as possible so that it could act on those three fronts.

74. It was important to strike the right balance between centralized control and decentralized operational freedom for different processes. To that end, an in-depth analysis should be carried out to determine the Organization's culture and needs, and the environment in which the strategy would be deployed. Moreover, the ICT architecture should be integrated into the Organization's broader communications strategy. The question of how ICT enhanced the efficiency of the United Nations should also be analysed, since it was not just a support tool for administrative processes but a central force driving the modernization process.

The meeting rose at 1 p.m.